

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AGREED-UPON PROCEDURES ENGAGEMENT  
OF THE  
KENTON COUNTY  
PROPERTY VALUATION ADMINISTRATOR**

**For The Period  
July 1, 2006 Through June 30, 2007**



**CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS  
[www.auditor.ky.gov](http://www.auditor.ky.gov)**

**105 SEA HERO ROAD, SUITE 2  
FRANKFORT, KY 40601-5404  
TELEPHONE (502) 573-0050  
FACSIMILE (502) 573-0067**





**CRIT LUALLEN**  
**AUDITOR OF PUBLIC ACCOUNTS**

Independent Accountant's Report

Jonathan Miller, Secretary, Finance and Administration Cabinet  
The Honorable Merrick S. Krey  
Kenton County Property Valuation Administrator  
Covington, Kentucky 41011

We have performed the procedures enumerated below, which were agreed to by the Kenton County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for period July 1, 2006 through June 30, 2007. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Kenton County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2007), for all bank accounts, to determine if amounts are accurate.

Finding -

The PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. The auditor re-performed the year-end bank reconciliation (June 30, 2007), for all bank accounts. Amounts appear accurate.

2. Procedure -

Confirm any and all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

Recorded city receipts agreed to the confirmed amounts received from city governments. The list of cities appears complete.



Jonathan Miller, Secretary, Finance and Administration Cabinet  
The Honorable Merrick S. Krey  
Kenton County Property Valuation Administrator  
(Continued)

3. Procedure -

Confirm any and all payments made by the fiscal court to the PVA. Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

The budgeted statutory contribution by the fiscal court agreed to the required amounts calculated by the Department of Revenue. The fiscal court payments were properly recorded and were traced to the local bank account.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

Tested disbursements agreed to cancelled checks, paid invoices, or other supporting documentation. All expenditures appeared to be for official business with the exception of three (3) expenditures. The auditor determined that approximately \$189.62 (telephone charges) claimed on travel vouchers did not appear to be for official business. Expenditures on the credit card statements appear to be for official business. We recommend that the telephone charges be reimbursed to the PVA's official account.

*PVA's Response: Recommendation followed. When traveling out of town telephone calls may sometimes occur that are not official business but necessary due to life's daily circumstances. If this be the case limitations for calls will be implemented and closely monitored by the P.V.A.*

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

Capital outlay disbursements agreed with cancelled checks, supporting documentation, and proper purchasing procedures. All newly acquired assets were verified and traced to the PVA's capital asset inventory list with the exception of 3 capital outlay disbursements (2007 Ford Explorer, refrigerator, and television). We recommend that all newly acquired assets be tagged and added to the PVA's capital asset inventory list.

*PVA's Response: Recommendation will be followed.*

Jonathan Miller, Secretary, Finance and Administration Cabinet  
The Honorable Merrick S. Krey  
Kenton County Property Valuation Administrator  
(Continued)

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

There were no vehicle lease agreements, personal service contracts, or professional service contracts. There were contracts for two copy machines and a fax machine. The payments made agreed to the amounts set out per the contracts. The services appeared to be appropriate and for official business.

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

The PVA did not overspend in any account series.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if a collateral agreement exists.

Finding -

Collateral was necessary for the PVA's funds for the audit period. The PVA did not have a written collateral security agreement in place. We recommend that the PVA obtain a written collateral security agreement with his bank.

*PVA's Response: Recommendation being followed as soon as possible.*

9. Procedure -

Determine whether timesheets are completed, maintained, approved, and support hours worked.

Finding -

Timesheets were completed, maintained, and support hours worked, however, timesheets were not approved by a supervisor or the PVA. We recommend that timesheets be approved by a supervisor or the PVA.

*PVA's Response: Recommendation will be followed immediately.*

Jonathan Miller, Secretary, Finance and Administration Cabinet  
The Honorable Merrick S. Krey  
Kenton County Property Valuation Administrator  
(Continued)

10. Procedure -

Determine whether cash balances were properly transferred from former PVA to new PVA.

Finding -

This step was not necessary because the PVA was still in office.

11. Procedure -

For newly hired employees, during July 1, 2006 through June 30, 2007, of the Property Valuation Administrator office determine if the Ethics Certification Form has been completed and is on file.

Finding -

The Ethics Certification Form appears to be completed and on file for newly hired employees.

12. Procedure -

Determine if the PVA's office was closed any day other than the state's approved holidays. If so, determine if the proper procedures and forms were completed.

Finding -

The PVA's office was not closed any day other than the state's approved holidays.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Crit Luallen  
Auditor of Public Accounts

December 14, 2007

